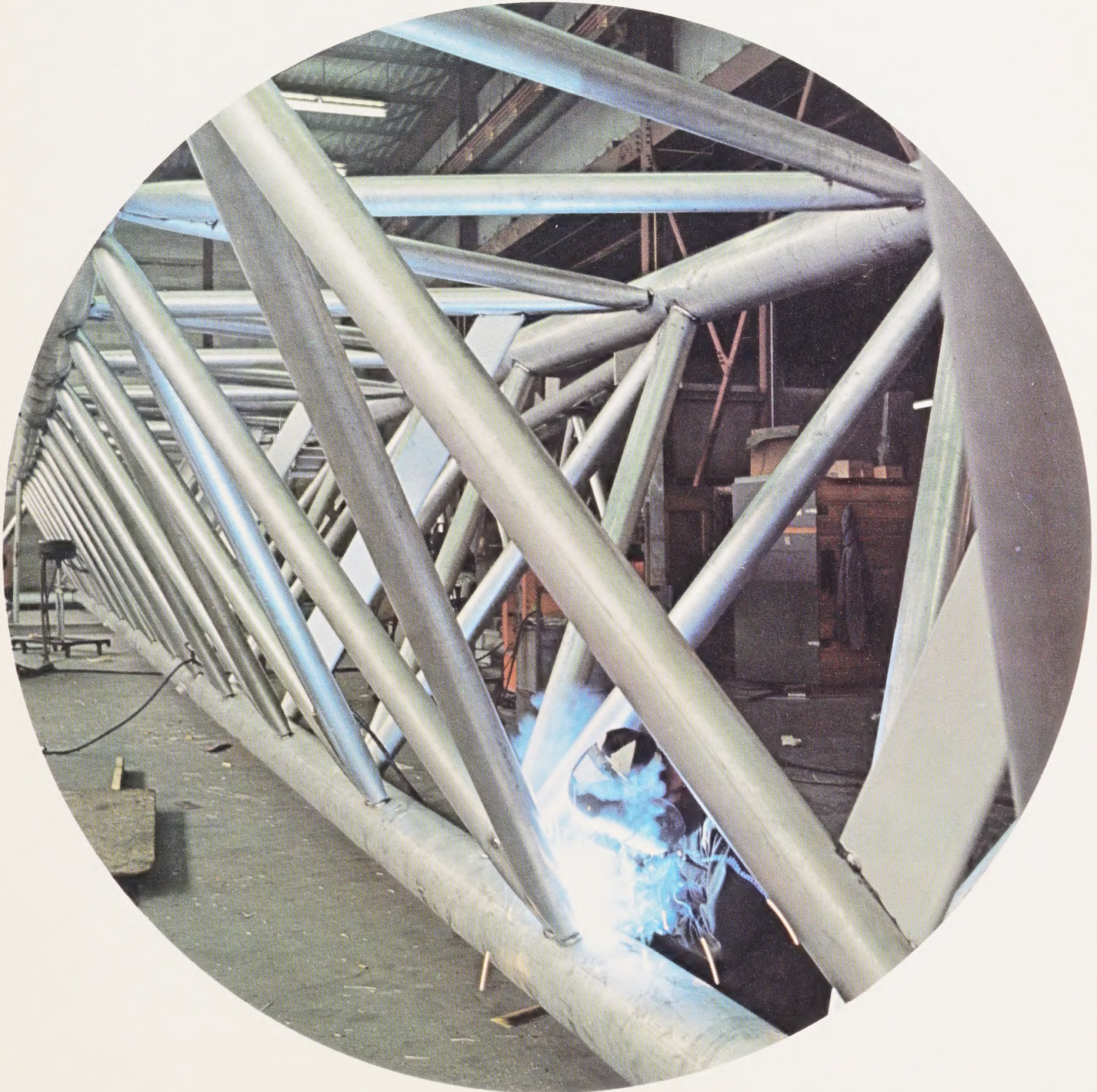


AR28



INDAL Canada Limited

ANNUAL REPORT 1970



COVER PHOTO

Welding aluminum pipe trestle at Toronto plant of Dominion Aluminum Fabricating Limited.



Eastland Metals Ltd., Toronto, fabricated and supplied the Insulated Metal Wall System for the Michelin Tire Manufacturing Company's new plant in Pictou County, N.S. The system covers a total wall area of 363,000 square feet and uses a pre-coated aluminum exterior sheeting with a galvanized steel liner sheet.

The new tire plant was designed by Surveyor, Nenninger & Chenevert Inc., Montreal, Que. Northern Industries Limited, Saint John, N.B., erected the metal wall system which is one of the largest ever fabricated for a Canadian industrial plant.



Directors

DERMOT G. COUGHLAN	Vice-President, Finance, Indal Canada Limited, Toronto
DENNIS FREDJOHN	Managing Director, RTZ Pillar Limited, London, England
ROBERT H. JONES	Executive Vice-President, Investors Group, Winnipeg
ROBERT B. LEESON	President, Indal Western Ltd., Vancouver
J. ROSS LeMESURIER	Vice-President, Wood Gundy Securities Ltd., Toronto
DONALD J. McDONALD	President, Midland-Osler Securities Limited, Toronto
GEORGE H. MONTAGUE	Vice-President, UNAS Investments Limited, Toronto
JAMES A. PATERSON	Executive Chairman, RTZ Pillar Limited, London, England
HARRY M. RICH	President, Fashion Grilles Limited, Toronto
WALTER E. STRACEY	President, Indal Canada Limited, Toronto
WILLIAM R. TUER, Q.C.	Partner, Borden, Elliot, Kelley and Palmer, Toronto

Officers

DENNIS FREDJOHN	Chairman
WALTER E. STRACEY	President
DERMOT G. COUGHLAN	Vice-President, Finance and Treasurer
W. LYLE MUIR	Secretary and Assistant Treasurer
PETER G. SELLEY, C.A.	Controller

Head Office

52 Arrow Road, Weston, Ontario

Auditors

COOPERS & LYBRAND	Chartered Accountants
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Transfer Agents and Registrars

Preferred shares	Canada Permanent Trust Company, Toronto
Common shares	The Royal Trust Company, Toronto, Montreal, Winnipeg and Vancouver

REPORT TO THE SHAREHOLDERS

For the fourteen months ended December 31, 1970

In May 1970 effective control of Indal Canada Limited and its subsidiary companies was obtained by the Rio Tinto Zinc Corporation Limited through its acquisition of all of the common shares of Indal's parent company, Pillar Limited (later renamed RTZ Pillar Limited). The financial year-end of your Company was subsequently changed to December 31 to conform to that of Rio Tinto. As a consequence this report covers the operations of the Indal Group for the fourteen months ended December 31, 1970.

The two principal markets served by Indal Group Companies, construction and the retail trade, particularly in sales of durable goods, suffered badly as a result of Federal Government policies designed to halt inflation. The consequent reduction in volume in turn led to increased competition for that business which was available and consequently to depressed prices for your Company's products at the same time as labour and other costs were being driven upwards. Operations in British Columbia were seriously affected by prolonged strikes in the construction and other industries. In addition, last year we mentioned the impact on the Group of certain new companies and the progress we were seeking, though continuing, has been less marked than we had hoped. As a result, net earnings showed a sharp decline to \$473,014 (37.1c. per common share) for the fourteen months ended December 31, 1970 compared to \$833,586 (79.0c. per common share) for the twelve months ended October 31, 1969. Group sales to third parties for the fourteen months amounted to \$31,065,404 compared to \$26,077,348 for the previous year.

Corporate Changes

During the period under review your Company entered into an agreement with Interprovincial Diversified Holdings Limited to form an equal partnership to purchase the business of Western Aluminum Products, a Calgary-based manufacturer of aluminum building products. The Company's share of the partnership earnings has been consolidated since January 1, 1970, the effective date of acquisition.

In November, 1969 the assets of Indalprime Limited were purchased by the Company and its operations are now carried on as a Division of Indal Canada Limited.

In April, 1970 the operations of Lite Metal (Products) Limited, our ladder producing company, were merged with those of Indal Products Limited. This change was

made largely to rationalize the marketing functions of both companies which supply ladders, storm doors and windows to retail outlets across Canada.

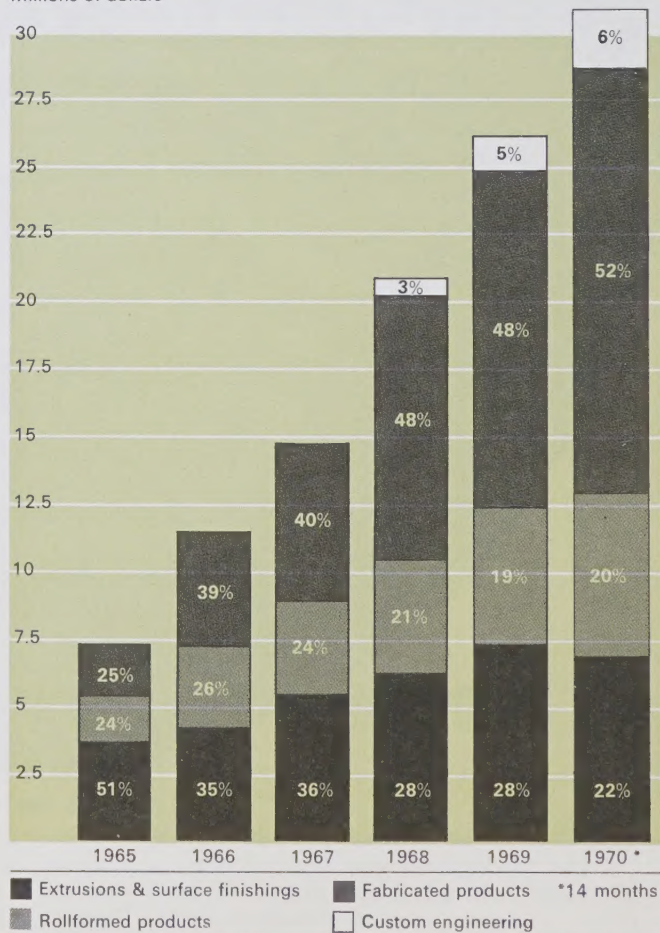
In November, 1970 Hialco-Reliance Mfg. Ltd. acquired the assets of Westland Metals Ltd. The name of the former company was subsequently changed to Indal Western Ltd. and its operations carried on by two divisions: The Hialco Mfg. Division, which continues to manufacture aluminum building products in Port Coquitlam, British Columbia, and the Westland Metals Division, which manufactures roll-formed sheet for industrial and agricultural buildings at plants in Vancouver and Calgary.

Financing

During the year your Company made an issue of

Sales Analysis

Millions of dollars



9½% Debentures Series A convertible into common shares of the Company at \$15 per share, in an amount of \$2,000,000. These debentures were placed privately with a number of institutions and with RTZ Pillar Limited, the Company's controlling shareholder. Additional details are disclosed in Notes 6 and 8 to the Financial Statements.

Also during the year a new loan was negotiated with the Company's bankers for a term of two years, resulting in a net increase in funds to the Company of \$2,000,000.

OPERATING REPORT

Aluminum Extrusions and Surface Finishing

Considering the generally poor economic climate, the extruding and finishing operations had a relatively good year. The squeeze on margins caused by lower prices was particularly noticeable in the extrusion field, so much so that it can only be hoped that a greater sense of realism will be achieved by the industry in 1971.

However, some improvement in this area of our business occurred during the latter months of the year when we operated at almost full capacity well into December 1970. Your Board of Directors recently approved a major capital expenditure program aimed at upgrading and relocating the entire Calgary extrusion plant. This program is expected to be completed by late May 1971 and will greatly broaden the range of extrusion sizes and finishing facilities presently available to our Western customers.

Doors, Windows and Ladders

After a slow start, due to poor weather conditions, prime window business in Eastern Canada and in Alberta finished the year strongly. Sales to residential construction in British Columbia suffered from the prolonged labour disputes during the year and margins were reduced as manufacturers sought to keep their plants operating.

Lower, indeed unsatisfactory, margins were also an unwelcome feature of our storm door and window operations as consumer spending was reduced and inventories liquidated by retail customers resulting in price competition for the lower volume of business.

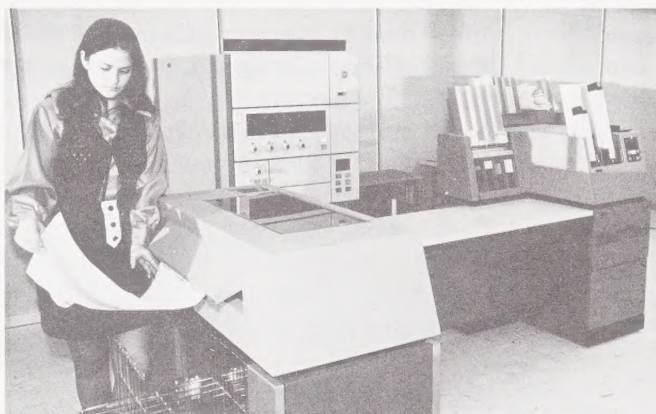
While ladder prices did not improve markedly we achieved higher manufacturing efficiency which, together with cutbacks in overhead, resulted in a much

higher contribution to earnings from this segment of our business.

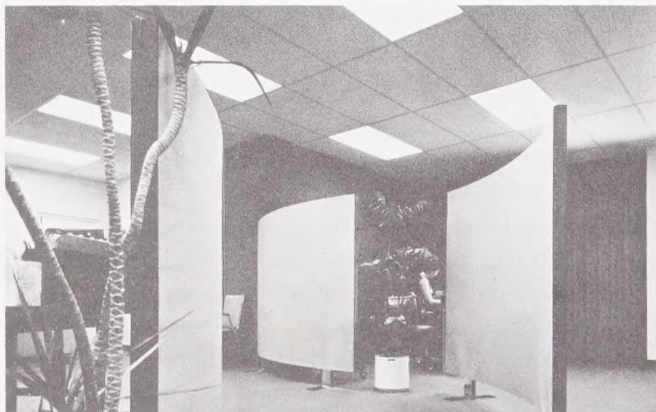
Sales of mobile home doors, windows, and accessories remained high during the year but sales of components for travel trailers were unusually low because of the high cost and difficulty of obtaining consumer financing.

Commercial and Institutional Architectural Products

Our subsidiary engaged in the manufacture of architecturally designed products and commercial doors and



This I.B.M. System 3 computer, installed at Weston, Ont., is now handling control and analyses applications for Toronto-based companies in the Indal Canada Group.



Engineers of RAM Partitions Limited designed the Panoram line of sound-absorbing dividers for office landscape and other applications. To increase production of these products and the Conwed line of partitions, the company is now doubling the area of the manufacturing space in its Brampton, Ont. plant.

entrances, contributed approximately the same profit to the Group as it did in the previous fiscal year. We believe this was a creditable performance when considered in the light of the much lower level of construction during the period, and it is furthermore encouraging to report that this company's business showed an upturn towards the latter months of the year.

The first full year of manufacturing operations in operable walls and partitions showed disappointing results. While no difficulty was experienced in obtaining architectural approval for our high quality line of products and good market penetration was achieved, the general lack of business put considerable pressure on selling prices with the result that sales did not yield the anticipated profit. Towards the end of the year there was some evidence of improvement in prices and the predicted increase in construction activity should benefit operations in the current fiscal year. During the year we obtained exclusive Canadian manufacturing rights for the Conwed line of landscape partitions developed by Conwed Corporation, St. Paul, Minnesota. This product, combined with the new line of Panoram dividers, will enable us to service a much broader range of customers in the general partitioning market.

Accessories and Hardware

Many of our hardware items go into products destined for the construction industry and durable goods for the home improvement market. As these are two areas that were very much affected by the general slowdown in our economy, profit contribution to the Group was considerably less than in previous years. We are confident that the anticipated improvement in business over the coming months will see this part of our Company return to its former level of profitable trading.

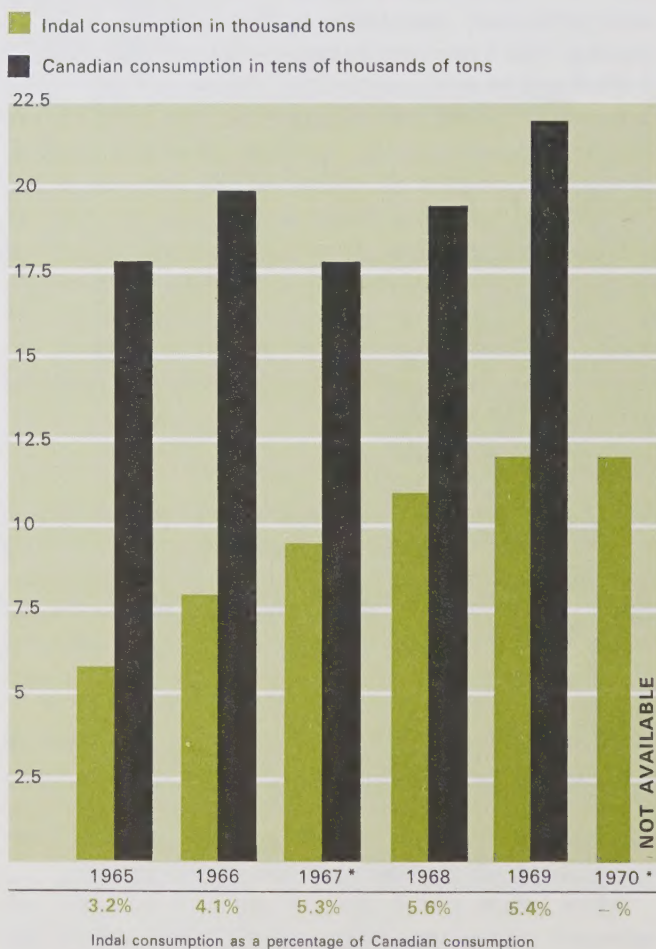
Rollforming

Considering general business conditions our companies, engaged in the rollforming of steel and aluminum, made a substantial contribution towards Group profits. Earnings of our Vancouver plant were adversely affected by a prolonged strike in the B.C. construction industry but our Eastern plants achieved a record volume of business. There was pressure on selling prices affecting profit margins on some products but in other areas we managed to maintain or improve our position. We are optimistic about the outlook for our rollforming companies.

Design Engineering

Operations during the year showed a marked improvement. Whilst Government contracts remained at a low level some newly designed products resulted in attractive business. An example of this was a very large all-aluminum pipe trestle installed at a Maritime pulp and paper mill. During the year we were granted exclusive world-wide patent rights by Canadian Patents and Development Limited for the manufacture and sale of the "Beartrap" helicopter haul-down and rapid securing system. This system is widely used on ships of the Royal Canadian Navy and we are optimistic

Consumption of Aluminum Extrusions and other Wrought Aluminum Products



* Estimated 12 month usage.

about future sales throughout the world. An attractive feature of this system is that it is complementary to our shipboard helicopter hangars.

Conclusion and Prospects

It is encouraging to be able to report that the months of November and December 1970 reflected a noticeable improvement in our business generally, with sales and profits exceeding forecasts. We believe that this is due to some extent to the assistance that both the Federal and Provincial levels of Government have made available to the construction of low cost housing. What is even more encouraging is that the major effects of these Government efforts to stimulate the economy will be felt on our various businesses during the months ahead because there is understandably a considerable time lag between the Government's action and its effect

on construction starts. It is our belief that by late spring we should see an upturn in the demand for our products.

While the slowdown in the Canadian economy during this past year certainly had its adverse effects on your Company's results, we think it is important to stress that we maintained and, in some areas improved, our relative market position. We remain confident that we are extremely well poised as a Group to exploit in full the improved economic conditions being forecast for our country during the coming year.

We would like to extend our thanks to all of our operating heads and their loyal staffs for their excellent efforts during a most difficult year.

DENNIS FREDJOHN, Chairman of the Board
WALTER E. STRACEY, President

Locations of Plants and Warehouses

■ Plant

● Warehouse

VANCOUVER



Extrusions
Windows and doors
Roofing and siding

EDMONTON ●

Windows and doors
Trailer and mobile home components

CALGARY



Extrusions
Windows and doors
Roofing and siding
Trailer and mobile home components

SASKATOON ●

Windows and doors
Trailer and mobile home components

MONTREAL ■

Extrusions

TORONTO



Extrusions
Windows and doors
Roofing and siding
Trailer and mobile home components
Store fronts
Hardware
Ladders
Engineered products
Operable walls, doors and partitions

INDAL CANADA LIMITED
and Subsidiary Companies

CONSOLIDATED BALANCE SHEET

as at December 31, 1970

ASSETS

CURRENT ASSETS

Cash	\$ 358,153	\$ 620,951
Accounts receivable – trade	6,326,007	6,429,458
Accounts receivable – affiliates	507	4,914
Inventories (note 2)	4,338,167	3,494,744
Other accounts receivable and prepaid expenses	303,690	346,585
Refundable taxes	—	26,958

11,326,524

10,923,610

INVESTMENT IN PARTNERSHIP – at cost plus undistributed earnings

1,533,331

—

FIXED ASSETS (note 3)

4,036,459

5,043,375

INTANGIBLE ASSETS

Excess of cost of investment in shares of subsidiaries over book value of net assets	4,878,083	4,875,020
Deferred charges less amortization (note 4)	<u>144,824</u>	<u>169,386</u>
	5,022,907	5,044,406

Signed on behalf of the Board

D. FREDJOHN, Director
W. E. STRACEY, Director

\$21,919,221

\$21,011,391

LIABILITIES

CURRENT LIABILITIES

	1970	1969
Bank advances (note 5)	\$ 2,511,699	\$ 2,368,067
Accounts payable – trade	1,516,598	4,072,925
Accounts payable – parent and affiliates	1,619,642	52,891
Other accounts payable and accrued charges	755,097	1,111,985
Income taxes payable	435,282	989,954
Current portion of deferred liabilities (note 6)	182,737	372,366
	<u>7,021,055</u>	<u>8,968,188</u>
DEFERRED LIABILITIES less current portion (note 6)	6,010,744	3,019,327
DEFERRED GAIN ON SALE AND LEASEBACK (note 7)	138,152	—
DEFERRED INCOME TAXES	199,753	541,357
MINORITY SHAREHOLDERS' INTEREST IN SUBSIDIARY COMPANIES	276,225	246,541
	<u>13,645,929</u>	<u>12,775,413</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 8)

Authorized –

216,668 6% cumulative preferred shares of the par value of \$10 each,
redeemable at 103%

1,500,000 common shares of no par value

Issued and fully paid –

166,668 preferred shares (1969 – 175,001 shares)

952,278 common shares (1969 – 948,778 shares)

RETAINED EARNINGS

1,666,680	1,750,010
4,423,800	4,409,800
<u>2,182,812</u>	<u>2,076,168</u>
<u>8,273,292</u>	<u>8,235,978</u>
<u>\$21,919,221</u>	<u>\$21,011,391</u>

INDAL CANADA LIMITED
and **Subsidiary Companies**

**CONSOLIDATED STATEMENTS OF EARNINGS
AND RETAINED EARNINGS**

For the fourteen months ended December 31, 1970

	14 months ended December 31, 1970	12 months ended October 31, 1969
EARNINGS		
Sales	\$31,065,404	\$26,077,348
Cost of sales	24,767,680	20,224,596
Gross profit	6,297,724	5,852,752
Expenses	5,754,324	4,096,496
Selling and distribution	2,380,161	1,787,090
Administration	2,597,201	1,788,147
Financial	776,962	521,259
Other income less expenses	543,400 73,038	1,756,256 135,177
	616,438	1,891,433
Income from partnership (note 1)	350,045	—
	966,483	1,891,433
Earnings before income taxes (note 10)	453,765	1,041,254
Income taxes (note 11)	512,718	850,179
Earnings after income taxes and before minority shareholders' interest	39,704	16,593
Minority shareholders' interest	\$ 473,014	\$ 833,586
Net earnings for the period		
RETAINED EARNINGS		
Retained earnings — beginning of period	\$ 2,076,168	\$ 1,546,428
Add: Net earnings for the period	473,014	833,586
	2,549,182	2,380,014
Less: Share issue expenses, less related income tax reduction	—	16,763
	2,549,182	2,363,251
Less: Dividends paid —		
Preferred shares	128,751	108,750
Common shares	237,619	178,333
	366,370	287,083
Retained earnings — end of period	\$ 2,182,812	\$ 2,076,168
Average number of common shares outstanding	951,046	917,127
Earnings per common share (note 13)	37.1c	79.0c

INDAL CANADA LIMITED
and Subsidiary Companies

**CONSOLIDATED STATEMENT OF SOURCE
AND APPLICATION OF FUNDS**

For the fourteen months ended December 31, 1970

	14 months ended December 31, 1970	12 months ended October 31, 1969
SOURCES OF FUNDS		
Operations –		
Net earnings before charging minority shareholders' interest	\$ 512,718	\$ 850,179
Charges not requiring use of funds –		
Depreciation and amortization	1,341,800	1,044,111
Deferred taxes	(341,604)	(159,184)
Equity in undistributed earnings of partnership	(275,045)	—
	<u>1,237,869</u>	<u>1,735,106</u>
Proceeds from sale of fixed assets	1,329,328	—
Increase (decrease) in deferred liabilities	2,991,417	(663,832)
Issue of shares	14,000	1,611,800
Other	(36,714)	13,664
Total sources of funds	<u>5,535,900</u>	<u>2,696,738</u>
APPLICATIONS OF FUNDS		
Purchase of fixed assets	1,330,903	1,940,987
Investments	1,262,663	489,289
Dividends – preferred shares	128,751	108,750
– common shares	237,619	178,333
Dividends to minority shareholders in subsidiary companies	9,673	15,100
Redemption of preferred shares	66,664	74,081
Share issue expenses	—	16,763
Deferred expenses	149,580	216,288
Total applications of funds	<u>3,185,853</u>	<u>3,039,591</u>
Increase (decrease) in working capital attributable to operations	2,350,047	(342,853)
Decrease in working capital attributable to subsidiaries acquired during the year	<u>—</u>	<u>82,052</u>
Increase (decrease) in working capital	<u>2,350,047</u>	<u>(424,905)</u>
WORKING CAPITAL	<u>\$ 4,305,469</u>	<u>\$ 1,955,422</u>

INDAL CANADA LIMITED
and Subsidiary Companies

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

For the fourteen months ended December 31, 1970

1. BASIS OF CONSOLIDATION

- (a) The consolidated financial statements include the accounts of all subsidiaries (companies more than 50% owned). All inter-company items and transactions between subsidiaries, including profits in inventories, have been eliminated. In addition, under the equity accounting principle, net earnings for the period include the Company's equity in the net earnings of a partnership in which the Company owns 50%.
- (b) Certain amounts have been reclassified in the 1969 comparative figures.

2. INVENTORIES – valued at the lower of cost or net realizable value

	1970	1969
Raw materials	\$2,958,917	\$2,546,691
Work in progress	414,800	217,781
Finished goods	964,450	730,272
	<u>\$4,338,167</u>	<u>\$3,494,744</u>

3. FIXED ASSETS

	Cost	Accumulated depreciation	1970 Net	1969 Net
Land	\$ 153,675	—	\$ 153,675	\$ 311,582
Buildings	515,872	\$ 47,167	468,705	1,429,693
Equipment	4,337,136	1,926,717	2,410,419	2,402,137
Leasehold improvements	494,024	139,279	354,745	242,960
Office furniture and equipment	264,426	111,597	152,829	122,921
Motor vehicles	245,628	149,035	96,593	113,880
	<u>\$6,010,761</u>	<u>\$2,373,795</u>	<u>\$3,636,966</u>	<u>\$4,623,173</u>
Tools and dies at cost				
less amounts written off			399,493	420,202
			<u>\$4,036,459</u>	<u>\$5,043,375</u>

Depreciation recorded in the accounts is calculated at straight-line rates based on the estimated useful lives of the respective assets.

4. DEFERRED CHARGES LESS AMORTIZATION

	1970	1969
Preproduction and other deferred expenses	\$ 86,388	\$ 136,620
Financing expenses	45,251	17,670
Patents and licences	13,185	15,096
	<u>\$ 144,824</u>	<u>\$ 169,386</u>

Deferred charges are being amortized over the periods considered to be benefited. Future amortization will be:

1971 – \$	89,443
1972 –	23,664
1973 –	12,032
1974 –	9,796
1975 –	3,544
after 1975 –	6,345
	<u>\$ 144,824</u>

5. BANK ADVANCES

Bank advances are secured by the pledge of inventories and book debts in certain subsidiaries.

6. DEFERRED LIABILITIES

	1970		1969	
	Deferred portion	Current portion	Deferred portion	Current portion
8½% Term loan repayable January 1, 1973 (note)	\$3,500,000	—	\$1,800,000	\$ 200,000
8¼% 1st mortgage payable in monthly instalments of \$4,629 to March 1, 1989	—	—	535,634	7,166
7% 1st mortgage payable in monthly instalments of \$369 to February 1, 1989	36,803	\$ 1,812	39,436	1,111
9% 1st mortgage payable in monthly instalments to August 1, 1986	248,656	5,505	255,032	4,968
7½% 2nd mortgage payable in monthly instalments to September 23, 1971	—	18,900	23,100	25,200
8½% Floating charge debenture payable in semi-annual instalments of \$50,000 to June 1, 1973	150,000	100,000	321,600	107,200
Equipment financing payable in varying amounts up to March 31, 1975	75,285	56,520	44,525	26,721
9½% Convertible debentures Series "A", due March 1, 1980, convertible by the holders at any time up to that date into common shares of the Company at \$15 per share	2,000,000	—	—	—
	<u>\$6,010,744</u>	<u>\$ 182,737</u>	<u>\$3,019,327</u>	<u>\$ 372,366</u>

Note: Certain book debts have been pledged as security for portion of the 8½% term loan.

7. DEFERRED GAIN ON SALE AND LEASEBACK

During the year certain properties having a net book value of \$1,151,460 were sold for a consideration of \$1,308,000 and leased back for a twenty-five year period at an annual rental of \$141,861. The resulting gain on sale of \$143,410 (net of all costs) will be amortized over the life of the lease.

8. CAPITAL STOCK

During the period 8,333 preferred shares were redeemed for a cash consideration of \$66,664.

During the period options were exercised on 3,500 common shares as indicated below. A further 20,000 common shares were set aside during the period for employee stock options and options on 15,000 common shares at a price of \$8.50 per share expiring April 15, 1977 were granted to employees.

Number of Shares						
Option price	Shares under option October 31, 1969	Options granted in period	Options exercised in period	Options expired or cancelled in period	Shares under option at December 31, 1970	Expiry dates of options
\$4.00	7,000	—	3,500	—	3,500	1972
\$8.50	—	15,000	—	1,500	13,500	1977

At December 31, 1970, 14,000 common shares were available for the granting of further options. At the same date 133,333 common shares were subject to issuance under the conversion rights attaching to the 9½% convertible debenture Series A (note 6) and 76,440 common share purchase warrants were outstanding. The warrants expire December 31, 1975 and may be exercised at a price of \$5.00 per share, which price is subject to adjustment.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(a) Indal Canada Limited has agreed to acquire, on request from the present minority shareholders of five subsidiaries, their shareholdings in those companies at prices based on the profits earned. The cost, based on profits to December 31, 1970, would be approximately \$306,000.

(b) Unrecorded capital commitments in respect of the acquisition of additional fixed assets, including commitments made after the year end, amount to approximately \$410,000.

(c) In a cross claim in an action brought by a subsidiary to recover a deposit from a supplier, the subsidiary has been sued for loss of profits in an aggregate amount of approximately U.S. \$40,000. In the opinion of counsel there is no merit in any part of this cross claim.

(d) In a further cross claim in an action brought by the company and a subsidiary to recover amounts due from a former owner of that subsidiary, the company and the subsidiary have been sued for damages in the amount of \$40,000. In the opinion of counsel this cross claim will not be successful.

10. EARNINGS BEFORE INCOME TAXES

(a) Earnings before income taxes are stated after charging :

	Fourteen months ended December 31, 1970	Twelve months ended October 31, 1969
Depreciation	\$ 677,738	\$ 488,133
Amortization of tools and dies	489,920	466,000
Amortization – other	174,142	89,978
Auditors' remuneration	51,705	42,039
Directors' and senior officers' remuneration	159,495	163,500
Interest on deferred liabilities	430,390	317,590
And after crediting – Rental income	4,035	14,207

(b) Rents paid in respect of leased land and buildings and charged in arriving at the consolidated earnings for the period amounted to \$611,065 (1969 – \$377,048). Minimum annual rentals payable under long-term lease contracts amount to \$544,530 (1969 – \$316,288).

11. INCOME TAXES

The income taxes based on the profits of the year are made up of :

	1970	1969
Income taxes applicable to the year	\$ 795,369	\$1,137,002
Deferred income taxes	(341,604)	(95,748)
	<u>\$ 453,765</u>	<u>\$1,041,254</u>

12. DIVIDENDS DECLARED

In December 1970 the company declared dividends amounting to \$25,000 on the 166,668 preferred shares. These dividends were paid subsequent to the year end.

13. DILUTION OF EARNINGS PER COMMON SHARE

There would be no appreciable dilution of earnings per common share from the exercise of share purchase warrants or options or from the conversion of any of the convertible debentures.

COOPERS & LYBRAND

CHARTERED ACCOUNTANTS

IN PRINCIPAL AREAS
OF THE WORLD

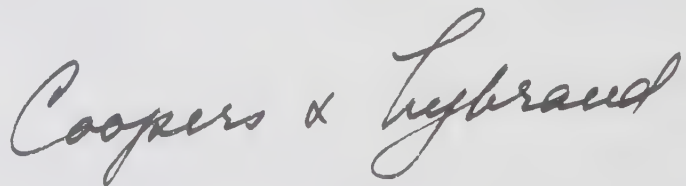
TELEPHONE 366.2551
120 ADELAIDE STREET WEST
TORONTO 110, CANADA

January 29, 1971

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Indal Canada Limited and subsidiary companies as at December 31, 1970 and the consolidated statements of earnings, retained earnings and source and application of funds for the fourteen months then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1970 and the results of their operations and the source and application of their funds for the fourteen months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A stylized, handwritten signature in dark ink that reads "Coopers & Lybrand". The script is fluid and cursive, with the ampersand being particularly prominent.

CHARTERED ACCOUNTANTS

INDAL CANADA LIMITED and Subsidiary Companies

A SUMMARY OF OPERATIONS SINCE INCORPORATION

	1970 (14 months)	1969	1968	1967 (15 months)	1966	1965
Sales	\$31,065,404	\$26,077,348	\$20,760,341	\$19,811,675	\$11,433,622	\$ 7,314,944
Net earnings for period	\$ 473,014	\$ 833,586 ¹	\$ 783,149 ²	\$ 516,968	\$ 363,876	\$ 234,129
Indal Canada Limited preferred dividends	\$ 128,751 ⁴	\$ 108,750	\$ 113,750	\$ 148,750	\$ 79,200	—
Average number of common shares outstanding	951,046	917,127	826,537	618,403	562,712	550,000
Earnings per common share ³ (after preferred dividends)	37.1c.	79.0c.	81.0c.	59.5c.	50.6c.	42.6c.
Dividend per common share	25c. ⁴	20c.	20c.	—	—	—
Common shareholders' equity	\$ 6,606,612	\$ 6,485,968	\$ 4,344,428	\$ 3,657,023	\$ 2,344,805	\$ 1,840,129
Book value per common share	\$6.94	\$6.84	\$5.22	\$4.43	\$3.97	\$3.35
Purchases of fixed assets	\$ 1,330,903	\$ 1,940,987	\$ 906,612	\$ 1,191,399	\$ 1,806,243	\$ 231,000
Cash generation	\$ 1,237,869	\$ 1,735,106	\$ 1,918,415	\$ 1,600,946	\$ 992,385	\$ 683,448

(1) Certain immaterial amounts have been reclassified in presenting the 1969 net earnings.

(2) Before crediting an extraordinary item of \$143,029 (equivalent to 17.2c. per common share).

(3) Earnings per common share have been calculated on the weighted average number of common shares outstanding during the year.

(4) Five quarterly dividends were paid during the fourteen month period.

INDAL CANADA LIMITED

OPERATING SUBSIDIARIES AND DIVISIONS

	<i>% of Equity Attributable to the Company</i>	
Aluminum store fronts, doors and entrances	80	COMMERCIAL ALUMINUM PRODUCTS LIMITED, Toronto G. B. Reading, President
Rollformed aluminum sections	50.1	CUSTOM ROLLFORMING COMPANY LIMITED, Toronto H. M. Rich, President
Aluminum railings, flagpoles, light standards, highway trusses, helicopter hangars and custom-engineered aluminum products	80	DOMINION ALUMINUM FABRICATING LIMITED, Toronto M. R. Maynard, President
Rollformed steel and aluminum industrial and agricultural roofing and siding	78	EASTLAND METALS LTD., Toronto C. H. Wilson, President
Aluminum grilles, awnings and hardware for doors and windows	100	FASHION GRILLES LIMITED, Toronto H. M. Rich, President
Aluminum windows and doors, trailer and mobile home products and ladders	100	INDAL PRODUCTS LIMITED, Toronto W. E. Stracey, President C. G. Clarke, Vice-President and General Manager – Trailer & Mobile Home Products R. A. Powell, Vice-President and General Manager – Windows, Doors and Ladders
Aluminum prime windows and aluminum doors	85	INDAL WESTERN LTD. R. B. Leeson, President HIALCO MFG. DIVISION, Port Coquitlam, B.C. C. Wight, General Manager WESTLAND METALS DIVISION, Vancouver, Calgary E. Abercrombie, General Manager
Rollformed steel and aluminum industrial, agricultural roofing and siding and rainwater goods		
Aluminum extrusions, anodizing and painting facilities	100	INDALEX LIMITED, Toronto, Montreal, Calgary, Port Coquitlam, B.C. J. D. Macklem, President W. MacDonald, Toronto Manager J. Grogan, Montreal Manager E. Heshka, Calgary Manager M. McNiven, Port Coquitlam Manager
Aluminum prime windows	100	INDALPRIME DIVISION, Toronto H. Lazar, General Manager
Aluminum and plastic extrusions	100	MISSISSAUGA ALUMINUM INDUSTRIES LIMITED, Toronto J. D. Macklem, President J. Hurka, Manager
Folding doors, operable walls and partitions	70	RAM PARTITIONS LIMITED, Brampton R. A. Morden, President
Aluminum prime windows, doors, trailer and mobile home doors, windows and accessories	50	WESTERN ALUMINUM PRODUCTS, Calgary, Edmonton, Saskatoon R. Scolnick, General Manager

The "Beartrap" haul down and rapid securing system is helping this helicopter land on the deck of a Royal Canadian Navy destroyer. In 1970, Dominion Aluminum Fabricating Limited was granted exclusive world-wide marketing and manufacturing rights to the system by Canadian Patents and Development Limited.





INDAL Canada Limited